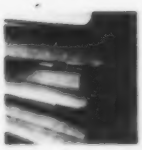
Building and Educating Tomorrow's Workforce

Alberta's 10 Year Strategy



Alberta

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Executive Summary

Alberta is thriving. It is a leader in economic growth in Canada and the world, with approximately $137 billion worth of new projects approved or under construction as of May 2006, compared to only $47 billion in 1998. This prosperity has created tremendous opportunity for Albertans, and at the same time has created unique challenges. A shortage of labour has become a critical concern in Alberta, with many employers finding it increasingly difficult to find the workers they need.

Labour and skill shortages are apparent across all sectors. Alberta's unemployment rate continues to drop, averaging just 3.9 per cent in 2005 - the lowest rate in Canada. While Alberta's economy is continuing to create jobs, the rate of Alberta's labour force growth is slowing due to demographic trends such as an aging population.

Opportunities in Alberta's labour market are attracting workers from outside the province and encouraging development of Alberta's labour force, including groups that have been traditionally under-represented in the labour force (First Nations and Métis, immigrants and persons with disabilities). However, the ready job opportunities are encouraging some students to forego educational opportunities in favour of immediate employment. At the same time, there is increasing recognition that education levels must increase in order for the province to maintain its current prosperity. The increased population brings additional challenges with infrastructure, transportation, and support resources stretched to the maximum.

An additional concern is that labour supply shortages are not being adequately supplemented by new technological investments. The demand for labour will not be met through immigration and development of Alberta's labour force alone. Increased productivity must also be part of the solution.

Building and Educating Tomorrow's Workforce aimed at achieving three key outcomes: an improved supply of appropriately skilled and motivated workers in the province; highly skilled, educated and innovative people; and high performance work environments that can make maximum use of innovation and technology. These outcomes will be met through a strategic framework with four themes: Inform, Attract, Develop, and Retain.

Inform

Individual Albertans require information to make informed career, learning, and employment choices. The Alberta government and its partners[1] also need timely and reliable information about labour market issues to create effective plans for developing Albertans, and to attract and retain workers.

Attract

It is essential to raise the overall skill levels of Albertans and to increase the labour force participation levels of First Nations, Métis, Inuit, persons with disabilities, Albertans with literacy challenges and immigrants. However, this will not be sufficient to meet all of our short- and long-term labour force requirements. Alberta will also need to attract interprovincial migrants and immigrants to meet some of our labour market demands.

Develop

Developing the knowledge and skills of Albertans is necessary to create and sustain the high performance workforce needed for the continued prosperity of our province. The needs of people and the economy will evolve over the next 10 years and it is expected that higher levels of education will become increasingly important in the labour market. Albertans need access to a wide spectrum of educational opportunities such as literacy skills, trades, college and university. An appropriate, flexible and accessible range of education and training opportunities is needed at all levels to provide Albertans with opportunities to achieve their potential.

In addition to a high performance workforce, Alberta needs high performance work environments. Good workplaces and working arrangements, and the development and application of innovative processes, practices, and state-of-the-art technologies all contribute to high performance work environments.

Retain

With more people retiring and fewer workers entering the labour market, more attention needs to be paid to retaining people in Alberta's labour force. Action is needed to encourage more mature workers to remain engaged in Alberta's labour force, retain knowledgeable workers in the province, and ensure Alberta's communities and workplaces are attractive and vibrant places to live and work.

Along with steering the overall implementation of the priority actions under this strategy, the Alberta government is working together with stakeholders to develop and implement sub-strategies to address sector-specific labour force development needs.

The success of this strategy in developing Albertans, improving the supply of knowledgeable and skilled workers in Alberta, and fostering high performance work environments is dependent on stakeholders working together and forming partnerships. Various provincial government ministries will lead work on the priority actions and industry will lead some actions under the sub-strategies. Many stakeholders, including employers, industry and professional associations, labour groups, community agencies, education and training providers and, where appropriate, other orders of government, will also have important roles to play in the journey of learning. Together, we can ensure the success of *Building and Educating Tomorrow's Workforce* and contribute to ensuring Alberta remains the best place to live, work and do business.

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[1] Partners of the Alberta government include industry, business (including the private and public sectors and the public service), labour groups, professional associations, volunteer and community agencies, education and training providers, and where appropriate, other orders of government.

1. Introduction

Alberta has been endowed with vast wealth and natural resources and is thriving. It is a leader in economic growth not only in Canada, but in the world. As of May 2006, there are approximately $137 billion worth of new projects approved or under construction in the province, compared to only $47 billion in 1998. Unemployment is at an all-time low at under four per cent and labour force participation is the highest in Canada.

Sustaining Alberta's Economic Prosperity

The Government of Alberta's 20-year vision is of a "vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children." The key to achieving this vision is people. In this century, the drivers of economic growth, societal well-being and quality of life for future generations will increasingly rely on Alberta having people who are motivated, well educated, skilled, innovative, productive, and adaptable.

Challenges

Alberta's future well being will depend increasingly on our ability to ensure all Albertans have the opportunity to reach their full potential to contribute in the economy and their communities.

Alberta is currently facing a number of significant challenges related to ensuring Alberta's people, businesses and industries continue to thrive:

- a changing and increasingly competitive global landscape,
- an overall aging of our population,
- expected strong economic growth and a tightening labour market,
- increased urbanization causing regional labour and skill shortages in many rural communities,
- rising education requirements for many jobs and a population that is falling behind other provinces in post-secondary educational attainment, and
- low graduation and post secondary transition rates as well as low credentialing rates.

A number of these challenges have been increasing in severity in recent years, placing growing pressure on Albertans, businesses, and various industry sectors. Over 93 per cent of respondents who provided input on an initial draft of this strategy indicated that addressing labour force pressures should be a high priority for the Alberta government and its partners.

A 10-Year Provincial Strategy

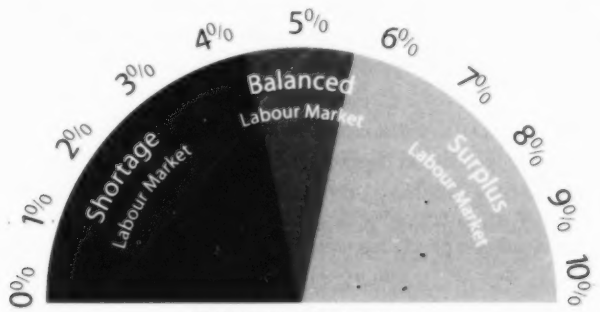
To respond to Alberta's growing labour force pressures the Government of Alberta has developed *Building and Educating Tomorrow's Workforce: Alberta's 10-Year Strategy*, to guide government's investments in our people and labour market over the next ten years (2006-2016). This strategy is about increasing the education and skill level of individual Albertans, as well as fostering high performance work environments that maximize innovation and the application of new technologies and processes. It recognizes that people are the shaping force in sustaining Alberta's economic performance and quality of life. The strategy further recognizes that partnerships with a variety of stakeholders are imperative to the success of this initiative. These stakeholders include industry, business (including the private and public sectors and the public service), labour groups, professional associations, volunteer and community agencies, education and training providers, and where appropriate, other orders of government.

Building and Educating Tomorrow's Workforce is about increasing the education and skill level of individual Albertans, as well as fostering high performance environments that maximize innovation and the application of new technologies and processes. This strategy focuses on four themes: Inform Albertans about education and labour market issues, initiatives and opportunities; Attract people to Alberta; Develop the knowledge and skills of Albertans as well as high performance work environments; and Retain people in Alberta's workforce.

Led by Alberta Human Resources and Employment and Alberta Advanced Education, this strategy brings together 17 provincial departments in a co-ordinated effort. Industry and other stakeholders have also provided extensive input to this strategy's development through a variety of means, including the Minister's Forum on *Developing a World Class Labour Force* in October 2005, a series of community and stakeholder consultations, and written submissions. Advanced Education's *A Learning Alberta* review process, which also received input through public consultations and written and online submissions, also informed this strategy.

2. The Need For Building And Educating Tomorrow's Workforce

The rapid pace of Alberta's economic growth in recent years has placed increasing demands on our province's labour force. Almost 208,000 net jobs have been created in the province in the past five years. Alberta's unemployment rate continues to drop, averaging just 3.9 per cent in 2005, which was the lowest rate in Canada.



2005 AVERAGE UNEMPLOYMENT RATE

2005 Average Unemployment Rate 3.9%

Data Source: Statistics Canada, Labour Force Survey (2005 Historical)

Several recent surveys and reports have highlighted increasing concerns about Alberta's tight labour market and the shortage of workers at varying skill levels. A national survey of 1,169 business, labour and public sector leaders, conducted by the Canadian Labour and Business Centre from October to December 2005, found a shortage of skilled workers was a top concern. In Alberta, a shortage of skilled labour was the number two issue for respondents.

There is concern that if Alberta's intensifying labour force pressures are not addressed, labour and skill shortages will constrain our future growth. Alberta's *Occupational Demand and Supply Outlook, 2005-2015* forecasts the Alberta economy will create over 400,000 jobs in the next ten years. However, only 314,000 new workers are expected to enter Alberta's workforce during this time, indicating a potential shortfall of 86,000 workers[2]. With a dynamic labour market, the actual number of workers available to the labour force will continue to fluctuate. However, labour and skill shortages over the next decade will be significant and must be addressed.

The convergence of several key trends underlies Alberta's current and projected future labour market demand and supply challenges[3].

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2 Alberta's Occupational Demand and Supply Outlook, 2005-2015. Alberta Human Resources and Employment.

3 See Understanding Alberta's Labour Force, Looking to the Future, 2005 (Alberta Human Resources and Employment) for more details.

2.1 Changing Face Of Work

Changing Economy

Changes in technology, production and trading patterns are continuing to alter the balance of global economic activity. An increasing proportion of global output is coming from lower-cost countries in Asia and Latin America. At the same time, world trade is moving from commodities to value-added manufacturing and services. Rewards from innovation will continue to increase as global competition and the speed of technological change increase.

In this changing global context, successful economies are ones that can shift from primary resource and manufacturing models – with an emphasis on capital, machinery and natural resources – to knowledge-based models characterized by innovation, technology, entrepreneurship and sustainability. This shift requires increasing the level of innovation through high performance workforces and work environments.

If Alberta is to remain competitive in the global market, it must develop and implement strategies to respond to the global trends.

Changing Education Requirements

Our changing economy is increasing knowledge and skill requirements for jobs. Technological innovation, commercialization of new technologies, and new innovations are changing the types of work being done. Recent forecasts indicate that over 65 per cent of new jobs in Alberta over the next five years will require some form of post-secondary education[4].

Within a society dependent on ideas and knowledge, an individual's full participation requires accessible, affordable post-secondary learning opportunities. However, Alberta's advanced education participation rate is relatively low compared to the rest of Canada (currently the second lowest in the country). In terms of university participation, Alberta's participation rate is the lowest in the country.

Just over half of Grade 10 students make the transition to a post-secondary institution within six years of entering Grade 10. Only 46 per cent of rural Albertans attain a post-secondary credential, compared to 61 per cent for their urban counterparts. Only one-third of Aboriginal people in Alberta obtain a post-secondary education.

Low literacy levels in Alberta also impact labour participation and productivity. Currently, approximately one-third of Alberta's population is functioning at a level that is below requirements to work in a modern economy. This does not imply that these individuals are not working; in Alberta 79 per cent of individuals in this group are employed. However, if literacy levels are not increased, this will have significant implications on the well-being of individuals, communities and the economy.

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4 Alberta Modified COPS Outlook, 2005-2010. Alberta Human Resources and Employment

For immigrants, English as a Second Language (ESL) training is essential. Alberta's immigrant population, although well educated in their country of origin, cannot fully participate without enhanced basic and occupational English language training.

Meeting future education and skill requirements is a particular challenge because Alberta's strong economic growth gives some young people the incentive to enter the workforce before completing secondary and post-secondary education. The proportion of Alberta's population over the age of 15 with post-secondary education was tied for fifth among the provinces in 2004, and dropped below the Canadian average in both 2003 and 2004. In the global economy, we cannot afford to fall behind other jurisdictions in educational participation and attainment levels.

2.2 Continued Economic Growth

Alberta is experiencing strong economic growth. Several factors, including the current and expected future high commodity prices and the resulting unprecedented expansion of the oilsands industry, are leading to forecasts of continued vigorous growth over the medium term[5].

The changing global economy will also influence Alberta's future economic growth. While there will be some negative effects, such as the high price of steel on large capital projects and high energy prices on the manufacturing sector, the importance of energy and mineral exports to Alberta's economy means the province will ultimately be a net beneficiary of the growth of economies in developing countries like India and China.

Continued Labour and Skill Shortages

While unemployment rates vary among regions and industries, the labour market is generally tight throughout the province and across industries:

- In the 12 months ending in March 2006, 34 of 53 occupational groups had an unemployment rate below three per cent, compared to 22 occupational groups in 2003[6].
- The percentage of employers indicating a hiring difficulty in one or more occupational groups increased from 51.5 per cent in 2003 to 56.3 per cent in 2005[7].
- The percentage of employers that reporting at least one position unfilled for over four months increased from 21.0 per cent to 28.2 per cent between 2003 and 2005[8].

Alberta's tight labour market is leading to increased competition among industries and employers for workers across a range of skill levels, including low-skilled entry-level positions. As competition for limited numbers of low- and semi-skilled workers increases, several industries are finding it difficult to offer the higher wages and benefits other industries are capable of offering to attract and retain the workers they need.

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5 Alberta's economy is projected to increase by 4.8 per cent in 2006 followed by an annual average rate of 3.5 per cent per year over the medium term, higher than both Canada and the United States. (Alberta government Budget 2006)

6 Alberta Unemployment Rate by Occupation April 2005 to March 2006. Alberta Human Resources and Employment.

7 2005 Alberta Wage and Salary Survey. Alberta Human Resources and Employment

8 2005 Alberta Wage and Salary Survey. Alberta Human Resources and Employment

2.3 Slowing Labour Force Growth

While Alberta's economy is expected to continue to create jobs, the rate of Alberta's labour force growth is slowing. A number of demographic trends are contributing to this slowdown.

Alberta's Aging Population

Baby boomers – the generation born between 1945 and 1960 – are more numerous than the generations following them. The retirement of baby boomers over the next few years will greatly impact the size of Alberta's labour force. The number of Albertans over the age of 45 will grow twice as fast as those under 45 years of age with the fastest growth occurring in the 55 to 64 age group[9]. As baby boomers retire, Alberta will lose not only workers, but knowledgeable and skilled workers with many years of experience who are not easily replaced.

Relative to the rest of Canada and many other developed countries, Alberta's population is young. In addition, Alberta's Aboriginal population is even younger than the general population, with just over 50 per cent being 24 years old or younger[10]. Nevertheless, the demographic reality of Alberta's aging population needs to be considered in developing strategies to deal with Alberta's labour market pressures.

Mixed Record in Attracting Interprovincial Migrants and Immigrants

Historically, interprovincial migrants and immigrants have helped build Alberta's labour force and these groups can play a role in countering the projected slowdown in the rate of Alberta's labour force growth. However, Alberta's ability to attract new workers from outside the province, especially skilled workers who are often very mobile, is influenced by the job opportunities and quality of life other jurisdictions offer.

The recent strengthening of British Columbia's economy and the emergence of an oil and gas industry in Atlantic Canada can be expected to affect Alberta's ability to attract and retain people from other parts of Canada in the years ahead.

Alberta also continues to encounter challenges in attracting and retaining skilled immigrants from other countries. Alberta receives approximately seven per cent of all immigrants to Canada, even though it accounts for 10 per cent of Canada's population. Some Alberta employers, after being unable to find suitably qualified workers in Alberta, are frustrated that more workers cannot be brought into Alberta more quickly when needed. As well, many immigrants in Alberta are frustrated that they cannot work to their full potential because their qualifications and work experience are not recognized. Because of this, some choose to leave Alberta for employment elsewhere.

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9 Alberta Regional Population Outlook, 2005-2010, page 4. Alberta Human Resources and Employment

10 Alberta's Aboriginal Population: Socio Demographic Characteristics (2001), October 2003. Alberta Aboriginal Affairs and Northern Development

3. Strategies and Initiatives Supporting Alberta's 20-Year Strategic Plan

Building and Educating Tomorrow's Workforce: Alberta's 10-Year Strategy is one of several strategies and initiatives supporting Alberta's 20-year strategic plan, *Today's Opportunities, Tomorrow's Promise*. Foremost among these strategies are:

- **A Learning Alberta** – In 2005, the Government of Alberta initiated a comprehensive review of Alberta's advanced education system. Through *A Learning Alberta*, a new vision and policy outcomes for Alberta's advanced education system will be articulated. Feedback through the *A Learning Alberta* review process was instrumental in the development of *Building and Educating Tomorrow's Workforce*.

- **Securing Tomorrow's Prosperity: Sustaining the Alberta Advantage** – Alberta's economic development strategy recognizes the importance of people in advancing our province's transition to a more knowledge-based and value-added economy.

- **A Place To Grow** – Alberta's rural development strategy recognizes that promoting increased economic development and educational attainment levels in rural Alberta is fundamental to increasing the vibrancy and capacity of communities.

- **Strengthening Relationships** – Alberta's Aboriginal Policy Framework focuses on improving the well-being and self-reliance of First Nations, Métis, and other Aboriginal peoples. This, too, is a priority under *Building and Educating Tomorrow's Workforce*.

- **Supporting Immigrants and Immigration to Alberta and Integrating Skilled Immigrants into the Alberta Economy** – These support the development of immigrant Albertans and the attraction and retention of immigrants into Alberta.

- **Growing our Future** – Alberta's integrated life sciences strategy aims to increase innovation in some priority value-added sectors.

Prepared For Growth

The Government of Alberta's previous short-term labour supply strategy, *Prepared for Growth*, covered the period from 2001 to 2005. It included three key components: increasing the skill and knowledge of Albertans, increasing the mobility of labour in Canada, and increasing the number of immigrants to Alberta.

Building and Educating Tomorrow's Workforce updates many of the actions pursued under *Prepared for Growth* and continues the work it began. However, *Building and Educating Tomorrow's Workforce* introduces new strategic themes and priorities that respond to intensifying labour force pressures in Alberta and recognizes the need to foster high performance work environments.

4. Addressing Labour Force Pressures

4.1 Introduction

The review of labour market trends and indicators shows that Alberta is facing a situation where our potential economic growth may be constrained by our supply of labour. One part of the solution is to increase the number of appropriately skilled workers through increasing the participation of under-represented groups in Alberta's labour force, interprovincial migration, and immigration. While these are components of this strategy, another important part of the solution is having high performance work environments.

This strategy emphasizes ensuring all Albertans have the opportunity to develop their knowledge, skills and talents and apply them in the labour market and in their personal lives to the extent of their potential. This includes First Nations, Métis, Inuit peoples, persons with disabilities, Albertans with literacy challenges, immigrants in Alberta, youth, mature workers, Albertans with low income, and women[11]. However, addressing labour force challenges will also require some interprovincial migration and immigration of appropriately skilled workers to Alberta.

4.2 Focus On Under-Represented Labour Force Groups

There are a number of groups in Alberta that have the potential to contribute to a greater extent in Alberta's economy. These groups often need specific programs and supports to be more successful in the labour market.

First Nations, Métis and Inuit peoples in Alberta

In 2005, the unemployment rate for the Aboriginal population living off-reserve in Alberta was 6.7 per cent, close to the national unemployment rate but well above the provincial rate. The unemployment rates on reserves and settlements, however, are much higher. Increasing the quality and quantity of labour force participation among First Nations, Métis and Inuit peoples is a priority for the Government of Alberta.

The key to enabling Aboriginal peoples to participate more fully in the economy rests on our ability to motivate and enhance their access and attainment within the basic and advanced education systems, so that they can acquire the knowledge and skills needed to reach their potential. The Alberta government is in direct consultation and co-operation with First Nations and Métis representatives to develop and implement an Aboriginal sub-strategy to increase the education and skill levels and labour force participation of First Nations, Métis and Inuit peoples. This sub-strategy will include Aboriginal-specific performance indicators and targets, as well as discussions with the federal government.

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[11] While the labour force participation of women in Alberta is relatively high, some women face barriers in non-traditional career paths (e.g., trades) and disincentives to participating more fully in the labour market after having children (e.g., child care costs, earnings potential, etc.).

Other Under-Represented Labour Force Groups

Building and Educating Tomorrow's Workforce also focuses on increasing the potential of the following groups to contribute in Alberta's labour force:

Persons with Disabilities – With unemployment rates roughly five times higher than the provincial average, persons with disabilities face significant challenges in the labour market. These challenges include a lack of awareness by many employers of the contribution persons with disabilities can make and, to a lesser degree, the lack of acceptance and unwillingness of many employers to make accommodations for specific disabilities.

Immigrants - While recent immigrants have only a marginally higher unemployment rate than the provincial average, they often face particular challenges finding jobs that fully utilize their existing skills and experience. Lack of recognition of their credentials obtained elsewhere, lack of Canadian work experience, and for some, lack of English language skills are barriers to securing employment commensurate with their skills and experience.

Contribution of Under-Represented Labour Force Groups

Increasing the contribution of these groups in Alberta's labour force, including Albertans with literacy challenges, not only helps to address labour shortages, it will also benefit Alberta in a broader sense by building social cohesion and providing a better quality of life for all.

However, there are limits to the contribution these groups can make to addressing Alberta's labour market pressures. Estimates indicate that increasing the participation and employment rates of under-represented groups in the labour force might only add an estimated 6,100 persons per year to Alberta's labour force over the next decade. This is about one-tenth (or 10 per cent) of the estimated 65,000 people that were added to the employed labour force from March 2005 to March 2006[12]. While they have the potential to contribute more, these groups are simply not large enough to address Alberta's labour force challenges.

Other Labour Force Groups

There are other groups in Alberta – such as youth, mature workers, women, and Albertans with low-incomes – who also face unique challenges in the labour market, preventing many of them from developing their skills and applying these in the labour market to the extent of their potential. Utilizing the skills of all Albertans to address labour market demand requires addressing these challenges as well.

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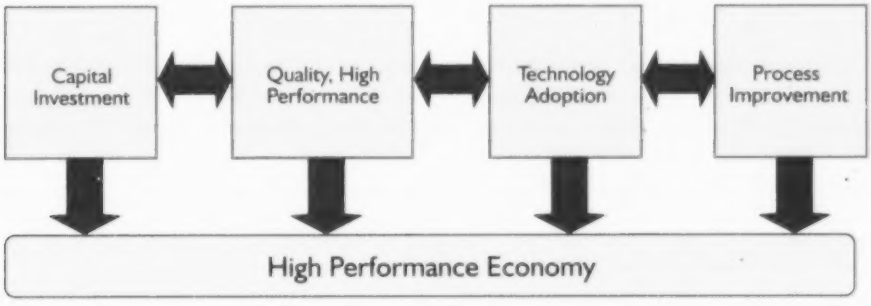
12 Understanding Alberta's Labour Force: Looking to the Future. 2005. Alberta Human Resources and Employment

4.3 A High Performance Economy

Addressing labour force pressures requires more than actions aimed at increasing the supply of labour. We also need actions to transform Alberta into a truly high performance economy. This means an increased level of technology adoption, process improvements, and investment in capital goods. It also means a high performance workforce in which Albertans have access -- anytime and anywhere -- to learning to keep their knowledge and skills current as new technologies and processes are adopted and as new markets are developed.



Increasing the size and capacity of Alberta's workforce to meet anticipated labour market demand will not be enough to support Alberta's continued economic prosperity. We also need to use innovation to reduce the growth in the demand for workers through technology and process improvements.

4.3.1 A High Performance Workforce

In today's global economy where labour is mobile, increasing the capacity of people to meet labour market demand can no longer be achieved simply by increasing the amount of hours worked or by driving people to "work harder." Achieving increased capacity in a value-added economy requires an investment in developing the knowledge and skills of individuals through education and training – it requires developing quality, high performance motivated individuals and a high performance workforce.

This is a particularly important challenge for Alberta with post-secondary educational attainment levels that are below the Canadian average. It is important to strike a balance between meeting the needs of the current economy for more workers while still developing a high performance workforce to meet the long-term needs of a more value-added, knowledge-based economy.

4.3.2 High Performance Work Environments

What is meant by high performance work environments?

- In terms of the workplace, it means, among others, healthy, safe and fair working conditions; more flexible working arrangements benefiting both the worker and employer; and increasing the sharing of effective and promising practices among employers.

- In terms of technology, it means leveraging the full potential of technology already in place and ensuring the adoption and development of new technologies.

- In terms of capital investment, it means increasing the quality and quantity of machinery, equipment, and infrastructure that will allow Alberta businesses to make optimal use of our highly trained and educated workforce.

- In terms of process improvements, it means adopting state-of-the-art methods of organizing production processes.

Government has an important role to play in creating high performance work environments. The government can employ a number of legislative and financial levers to encourage healthy, fair and safe workplaces and to promote the development and adoption of new technologies. The government can also facilitate and support collaborative partnerships and private sector initiatives.

However, regardless of the role government plays, the fact that work primarily takes place in the private sector means private industry must take the leading role in creating high performance work environments.

5. Strategic Framework

5.1 Vision

Building and Educating Tomorrow's Workforce: Alberta's 10-Year Strategy has this vision:
Alberta has the people with the knowledge and skills to meet its potential to be the best place to live, work and do business.

5.2 Guiding Principles

The following principles underlie this strategy:

A Focus on People

People with the right skills, knowledge and ideas will secure Alberta's well-being and quality of life for future generations and position Alberta to compete in an increasingly global economy. All Albertans should have the opportunity to develop their knowledge, skills and talents and apply them in the labour market and in their personal lives to the extent of their potential. Enhancing Alberta's well-being requires that all Albertans have access to affordable and high-quality learning and training opportunities.

Because a large proportion of the jobs that will be available in Alberta over the next 10 years will require a post-secondary education, many Albertans – including First Nations, Métis and Inuit peoples, persons with disabilities, Albertans with literacy challenges and low-income and rural Albertans – need improved access to education so that they have the qualifications for these jobs. Alberta's immigrants also have unique education and training requirements that need to be addressed in order to help them achieve their full potential in the labour market and society.

The Alberta government is committed to the advancement of Aboriginal peoples[13]. Higher levels of education and training will help Aboriginal people participate more fully in the labour market, have higher incomes, obtain increased self-reliance, and build stronger communities.

A Focus on Quality of Life

Workers today have broader work and living options because of increased global competition for labour and increased labour mobility. This highlights the importance not only of good jobs but also of good workplaces, living spaces, and communities to Alberta's success in attracting and retaining workers. Quality of life factors, such as the environment, infrastructure (e.g., quality schools, hospitals, roads, parks), social supports, and municipal amenities, are important to building Alberta's labour force.

[13] For the purposes of this strategy, the term "Aboriginal peoples" refers to First Nations, Métis, and Inuit.

A Focus on Innovation

Alberta's capacity for innovation is dependent upon support for the creative process that generates and implements new ideas and knowledge in both the learning system and the marketplace. This requires support for idea and knowledge creation through public and private expenditures on research and development, as well as for the transmission and application of new ideas and knowledge in the marketplace. It also requires other supports, such as access to venture capital and a supportive tax regime.

Innovation is also about people. A sustained high level of innovation within the province requires that Alberta's advanced education system provides learners with leading-edge knowledge and skills that they can apply in the public and private sectors.

By supporting these various components of the innovation process, we can develop a culture of innovation in Alberta. Albertans will have the capacity and drive to develop new ideas, the confidence and skills to bring these ideas to fruition, and the ability to transfer and apply this new knowledge in educational institutions and workplaces for the benefit of all Albertans.

A Focus on Responsiveness

By providing affordable access to quality post-secondary learning opportunities—including apprenticeship opportunities—and by increasing the training that occurs within the public and private sectors, we will build a life-long learning system that is responsive to the needs of Albertans, our economy and our communities.

A Focus on the Future

People drive our economic prosperity and quality of life. Recognizing this, *Building and Educating Tomorrow's Workforce* focuses on the long-term development of Albertans and our labour force, while simultaneously addressing the immediate labour force pressures Alberta is experiencing.

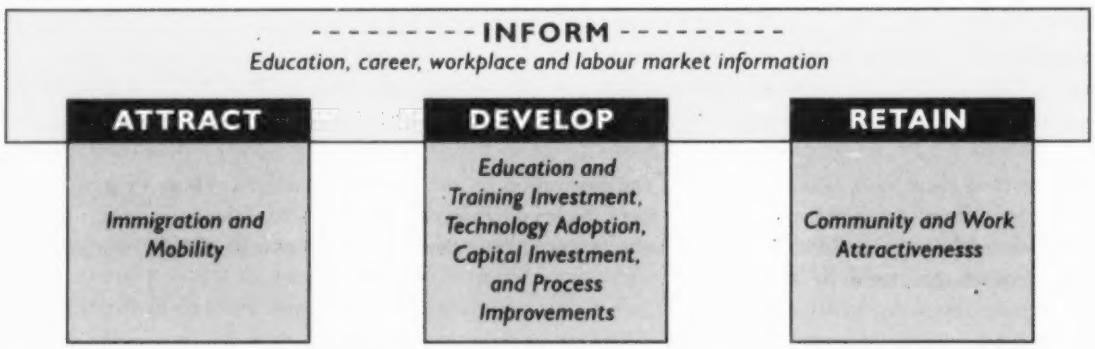
A Focus on Collaboration and Partnerships

Addressing Alberta's labour force challenges requires strong collaboration among a number of provincial government ministries, as well as the participation and commitment of all stakeholders. The quantity and quality of talent in the Alberta workforce has an impact on all businesses and institutions that operate within Alberta. We must all work together to implement this strategy.

5.3 .The Themes

Building and Educating Tomorrow's Workforce provides a strategic framework built around four themes: Inform, Attract, Develop, and Retain.

A Strategic Framework of Four Linked Themes



This strategy outlines the priority actions the Government of Alberta will be pursuing related to these four themes. These actions were identified as strategic priorities either because:

- they have been identified as priorities through consultations with stakeholders,
- they address immediate or longer-term labour force issues, or
- they build upon successful actions already being taken by the Alberta government and its partners.

Through these priority actions, government and its partners will not only continue with ongoing activities that have proven successful, but will also develop and implement new initiatives to address intensifying labour force pressures in Alberta.

5.4 Roles And Responsibilities

While lead provincial government ministries have been identified for each of the priority actions, a broad labour force development strategy such as this requires the involvement of industry, business (including the private and public sectors and the public service), labour groups, professional associations, volunteer and community agencies, education and training providers, and where appropriate, other orders of government. The federal government, municipal governments, as well as First Nations, Métis, and Inuit communities, organizations and governments, also need to be appropriately engaged in order for this strategy to be a success.

As the provincial government moves forward with implementation, it will look to external stakeholders to collaborate with on various components of this strategy.

5.5 Theme #1 - Inform

GOAL: Albertans and stakeholders have increased access to current, accurate and relevant education, career, workplace and labour market information needed to make informed career, workplace, and labour market decisions.

Building and Educating Tomorrow's Workforce introduces Inform as a separate theme to enhance the role that the appropriate exchange of information can play in addressing labour force pressures.

Individual Albertans require quality information to make informed career, learning and employment choices. Post-secondary affordability myths must be dispelled. The provincial government, business and industry and other partners also rely on timely, accurate and relevant education, career, workplace, and labour market information to develop and implement appropriate labour force attraction, development, and retention strategies.

All stakeholders need to be aware of labour market issues and initiatives and how these impact individuals, businesses, and the economy.

Priority Actions

- Provide quality information to Albertans, business and industry on prominent labour force issues and human resource best practices, market opportunities and program supports. *(Lead ministry: Alberta Human Resources and Employment)*

- Provide enhanced information to Albertans regarding career, education and training opportunities, as well as resources and tools available to support career and educational decisions. (e.g. Career Development Strategy, ALIS, youth enhancement, Alberta Human Resources and Employment Service Centres, Technology Supports, Careers Next Generation, Youth Ambassadors, Guidance counselling, mobilizing seniors and mentorships). *(Lead ministries: Alberta Advanced Education, Alberta Education, Alberta Human Resources and Employment)*

- Provide enhanced information, tools and supports to better assist employers in addressing their labour needs. (e.g., Employer Tool Kit, Finding Work Fact Sheets, promote industry-specific career paths; share best practices; and expand resources to help match employers with potential pools of workers). *(Lead ministries: Alberta Advanced Education, Alberta Health and Wellness, Alberta Human Resources and Employment)*

5.6 Theme #2 - Attract

GOAL: Alberta attracts the interprovincial migrants, immigrants and temporary foreign workers necessary to address labour force needs.

This theme relates to attracting workers from outside the province to live and work in Alberta. These workers can be attracted from either within Canada or internationally, on either a temporary or permanent basis. While attracting more interprovincial migrants, immigrants and temporary foreign workers to the province will not by itself address Alberta's labour force pressures, it has a role to play in ensuring Alberta has an adequate supply of appropriately skilled workers.

Alberta is committed to maximizing the skills and talents of Albertans first. All Albertans, including immigrants already in Alberta, should have opportunities to develop their knowledge, skills and talents and apply these in the labour market and in their personal lives to the extent of their potential. Because a large proportion of the jobs that will be available in Alberta over the next ten years will require a post-secondary education, many Albertans - including First Nations, Métis and Inuit peoples, persons with disabilities, Albertans with literacy challenges, and low-income and rural Albertans – will need improved access to education so that they have the qualifications for these jobs. Alberta's immigrants also have unique education and training needs to help them realize their full potential in the labour market and participate more fully in their communities.

Priority Actions

- Work with partners to recognize the credentials, competencies, prior learning and work experience of immigrants and interprovincial migrants. *(Lead ministries: Alberta Advanced Education, Alberta Health and Wellness, Alberta Human Resources and Employment)*

- Work with the federal government and other stakeholders to simplify and speed up the immigration and temporary foreign worker processes. *(Lead ministries: Alberta Economic Development, Alberta Human Resources and Employment)*

- Develop a co-ordinated marketing strategy to increase awareness about Alberta and position the province as a 'destination of choice' for international immigrants. *(Lead ministries: Alberta Economic Development, Alberta Human Resources and Employment)*

- Work to improve labour mobility of Canadians and inform Canadians of job and business opportunities in Alberta. *(Lead ministries: Alberta Economic Development, Alberta Human Resources and Employment)*

5.7 Theme #3 - Develop

Develop A High Performance Workforce

GOAL: Albertans gain improved access to the education and training needed to address short-term labour market demands and build long-term capacity to respond to future opportunities and challenges.

Meeting the current demands of Alberta's resource-based economy and making the transition to a more value-added economy requires the development of the knowledge and skills of individual Albertans. Albertans need an appropriate, flexible and accessible array of education and training opportunities at all levels to support productivity improvements and Alberta's shifting from a resource-based to a more knowledge-based economy. Promotion of lifelong learning will build the long-term capacity of Albertans to adjust to changing labour market demands and contribute to Albertans' quality of life.

Priority Actions

- Work with education and training providers to increase graduation and post-secondary participation in learning opportunities and reduce barriers preventing Albertans, including First Nations, Métis, Inuit and other under-represented groups such as persons with disabilities, Albertans with literacy challenges and immigrants, from participating in the labour market. (e.g. affordability strategies, incentive grants, learning supports, English as a Second Language training, working with Indian and Northern Affairs Canada to develop an active income support system that supports learning and work). *(Lead ministries: Alberta Aboriginal Affairs and Northern Development, Alberta Advanced Education, Alberta Human Resources and Employment, Alberta Seniors and Community Supports)*

- Respond to the affordability recommendations identified through *A Learning Alberta* and expand access to advanced education learning opportunities to enable Alberta to have the highest participation rates in post-secondary education in Canada.*(Lead ministry: Alberta Advanced Education)*

- Work with employers to increase training and learning opportunities that allow Albertans to upgrade their skills while working (e.g., leverage technology and alternative learning to bring learning opportunities to the worksite, support for part-time training, mentoring programs, employer/industry-specific training). *(Lead ministries: Alberta Advanced Education, Alberta Health and Wellness, Alberta Human Resources and Employment)*

- Develop and implement comprehensive provincial strategies to motivate increased on-time high school completion rates with a particular focus on enhancing initiatives undertaken through the First Nations, Métis and Inuit Education Policy Framework to improve Aboriginal learner success. *(Lead ministries: Alberta Education, Alberta Advanced Education)*

- Work with industry to develop innovative approaches to improve participation and achievement in apprenticeship and industry training, in response to industry needs, for all Albertans, including First Nations, Métis, Inuit and other under-represented groups. (e.g., Youth Apprenticeship Program, Registered Apprenticeship Program) *(Lead ministry: Alberta Advanced Education)*

Develop High Performance Work Environments

GOAL: Alberta adopts all the characteristics of a high performance economy, such as improved workplaces and working arrangements, increased capital investment, technology adoption, and production process improvements.

Building and Educating Tomorrow's Workforce recognizes that the current and projected future demand for labour requires that all the elements that drive productivity growth be addressed. For this reason, greater attention is needed on developing high performance work environments than was the case in the government's previous labour supply strategy; *Prepared for Growth.*

Developing high performance work environments focuses on improving workplaces and working arrangements, and achieving the right mix of capital goods, existing and emerging technologies, and state-of-the-art processes. Industry has the lead in achieving this goal. Government has a supportive role that focuses on improving market functioning, creating an positive climate for growth through investment, and encouraging innovation and the sharing of new knowledge about the development of new commodities and processes.

Priority Actions

- Continue to promote a streamlined regulatory regime to enhance business competitiveness and ensure existing and new regulations are not an unnecessary burden on labour force development. *(Lead ministries: Alberta Restructuring and Government Efficiency, Alberta Economic Development, Alberta Finance, Alberta Human Resources and Employment)*

- Work with employers to increase technology adoption and innovation, including improvements to administrative processes and services, production floor and product-to-market efficiencies and web-based delivery. *(Lead ministries: Alberta Agriculture, Food and Rural Development, Alberta Advanced Education, Alberta Economic Development, Alberta Human Resources and Employment, Alberta Innovation and Science)*

5.8 Theme #4 - Retain

GOAL: Enhanced community and work attractiveness leads to more workers remaining engaged in Alberta's labour force.

Building and Educating Tomorrow's Workforce introduces Retain as a new theme to address labour market trends that are increasing in importance, such as Alberta's aging workforce and increasing global competition for labour.

The Retain theme focuses on working with public and private partners to introduce incentives and remove barriers for workers to remain engaged in Alberta's labour force. Discrimination in the workplace and in the community discourages Albertans, including some First Nations, Métis, and Inuit peoples, persons with disabilities, and immigrants, from staying engaged in Alberta's workforce.

This theme also aims to improve co-operation and collaboration with communities in Alberta to address the broader quality of life issues that make communities more attractive for people to live and work in (e.g., infrastructure, community supports, and the environment).

Priority Actions

- Work with industry, employer groups and labour groups on increasing workforce retention of mature workers, including increasing the flexibility of work arrangements and pension programs. *(Lead ministries: Alberta Finance, Alberta Human Resources and Employment, Alberta Seniors and Community Supports)*

- Work with partners to increase the retention of knowledge workers with specialized skills (professionals, graduate students, researchers and faculty), including skills critical to bringing scientific and technological innovations to market. (e.g. scholarships, return-for-service grants, partnership programs with rural and community organizations). *(Lead ministries: Alberta Advanced Education, Alberta Innovation and Science)*

- Work with community agencies, employers, and other partners to provide improved support programs and networks for integrating immigrants, First Nations, Métis, Inuit and other under-represented groups into workplaces and communities. *(Lead ministries: Alberta Aboriginal Affairs and Northern Development, Alberta Advanced Education, Alberta Children's Services, Alberta Community Development, Alberta Education, Alberta Human Resources and Employment, Alberta Seniors and Community Supports)*

6. Monitoring Success

Building and Educating Tomorrow's Workforce: Alberta's 10-Year Strategy builds upon the current work of the Alberta Government and its partners, and provides further direction for addressing Alberta's labour force issues. The strategy focuses on three main outcomes:

- More workers – An improved supply of appropriately skilled, knowledgeable workers in the province.
- Better trained people – Highly motivated and skilled, educated and innovative people.
- Innovative environments – High performance work environments that can make maximum use of innovation and technology.

The work involved in meeting these outcomes will begin immediately and continue over the next 10 years. For this reason, performance indicators and related targets have been identified for each outcome to monitor the progress being made over both the short (three years) and longer-term (5-10 years). Some indicators, such as those regarding the improved supply of workers, might show marked improvement relatively quickly while others, such as education completion rates and labour productivity, will take more time.

These outcomes, and their corresponding indicators, are interconnected and should be considered together when measuring success. No one indicator or outcome alone will appropriately measure our success in addressing the labour force challenges facing Alberta.

The Government of Alberta will review and report annually on progress towards achieving the strategy's outcomes.

Performance Measures

Outcomes	Indicators	Current Situation	2009 Target	2016 Target
Improved supply of appropriately skilled, knowledgeable workers in the province.	Employment	1,880,000 [i]	2,051,000 [ii]	Alberta has among the highest levels of employment growth in the country.
	International immigrants arriving in Alberta	19,330 [iii]	24,000	10% of total immigration to Canada
	Increase in adult learning spaces	2,550 [v]	11,800	Alberta will create enough seats to provide 45,000 new learning opportunities.
Highly skilled, educated and innovative people	High school completion rate within five years of entering Grade 10	75% [vi]	77%	90%
	Albertans aged 25-64 that have completed post-secondary education.	58% [vii]	62%	Alberta has among the highest rates of post-secondary completion in the country.
	Employer satisfaction with the skills and quality of work of advanced education system graduates	90% [viii]	91%	Alberta will achieve an employer satisfaction rate of 91% or greater.
High performance work environments that can make maximum use of innovation and technology.	Labour productivity (real GDP per hour worked)	$40.55 [ix]	*Alberta's labour productivity will continue to be the highest in the country.*	

Supplemental Information

Demand-Side: Reducing the growth in the economy's need for workers

Projections for GDP growth indicate that while Alberta's economy may not continue to grow at its current high pace, the potential for growth will remain strong into the foreseeable future. This potential economic growth will lead to continued job growth and the need for more workers. However, as already discussed in the strategy, Alberta will be unable to meet this demand simply by increasing the number of workers. Alberta will need to improve labour productivity in order to realize its potential growth and maximize its high standard of living.

Building and Educating Tomorrow's Workforce focuses on developing a high performance workforce and high performance work environments to improve labour productivity as measured by real GDP per hour worked. Productivity improves when our economy produces more outputs per hour of work. The target is to see real improvements by achieving labour productivity in Alberta that is comparable to our largest trading partner, the United States. Achieving this does not lie in making people work harder or longer hours but in providing workers with more and better tools with which to do the job quicker. This means adding more capital, implementing new technologies and production processes, and providing more education and training to workers.

Supply-Side: Increasing the supply of appropriately skilled, knowledgeable workers

Examples of Alberta's changed potential labour force

Some additional statistics about some of Alberta's potential future labour supply

	Current Situation	2009 Target	2016 Target
Number of new apprentices	13,886 [x]	18,000	Alberta will have sufficient new apprentices to meet the on-going needs of industry
Retention of international immigrants arriving in Alberta	74%	85%	85%

Forecasts – Some potential labour force pools

	Current Situation	2009 Forecast	2016 Forecast
Aboriginal off-reserve labour force	65,500 [xi]	76,000 [xii]	98,800
Net interprovincial migration	41,707 [xiii]	30,000	20,000
Federal Temporary Foreign Worker Program	22,454 [xiv]	25,000	29,000

ENDNOTES

i *Alberta Labour Force Statistics December 2005. Alberta Human Resources and Employment.*

ii *Based on an annual increase in employment of 2.2% from 2006 to 2009.*

iii *2005. Citizenship and Immigration Canada.*

iv *As measured by the increase in full-load equivalent student spaces.*

v *2005/06 figure. Alberta Advanced Education Business Plan 2006/09. Alberta Advanced Education*

vi *2003/04 figure. Alberta Education Annual Report 2004/05. Alberta Education*

vii *2005 figure. Advanced Education*

viii *2003/04 figure. Alberta Advanced Education Business Plan 2006/09. Alberta Advanced Education-*

ix *2005, Alberta Finance*

x *2005/06 5 year average. Alberta Advanced Education*

xi *As of December 2005. Aboriginal Population Off-Reserve Package. Alberta Human Resources and Employment.*

xii *2006 and 2009 targets assume a 3.8% growth rate,* the average of the Aboriginal labour force growth rate for 2004 and 2005. Alberta Human Resources and Employment

xiii *2005. Alberta Finance*

xiv *2005. Alberta Economic Development*

xv *Full load equivalent enrolment at publicly funded post-secondary institutions.*

xvi *2003/04. Alberta Advanced Education.*

7. Moving Forward

A New Direction

Alberta's economy is growing and prospects for sustained growth are good. This means the demand for workers at all skill levels will remain high. The need for more workers is occurring at a time when the combination of an aging population and declining birth rates means that in some jurisdictions the available workforce is shrinking—a trend that is expected to continue over the next decade and beyond. Current labour force issues are pressing, and at the same time there is a need to look to the future and to prepare individuals and organizations to transition to a knowledge-based economy of the future. In order to stay globally competitive, Alberta needs highly skilled, educated, and innovative people.

Building and Educating Tomorrow's Workforce sets a new direction for Alberta and creates the framework needed to address the labour force development challenges of today and the future. The development of this strategy is only a start in responding to Alberta's pressing short and longer-term labour force issues.

The Alberta government is committed to playing a lead role over the next 10 years in building and educating our province's workforce. A number of provincial ministries will take on additional responsibilities to support the implementation of this strategy. Various provincial ministries have or will develop action plans supporting the priority actions outlined in this strategy. Challenges in implementation will include:

- obtaining the active support of all stakeholders
- defining "on the ground" actions and initiatives that will have the greatest impact
- eliminating fragmentation and duplication of services
- identifying gaps
- ensuring sustainability of the strategy over the next decade.

Along with steering the overall implementation of this strategy, the Alberta government is working together with stakeholders to develop sub-strategies to address sector-specific labour force development needs. A wide range of sub-strategies have been selected based on a review of statistical information (unemployment, employment and Gross Domestic Product statistics) and the increasing recognition that labour and skill shortages are being experienced across the board. Strategies to address shortages in one sector will impact shortages in another.

To date, two sub-strategies have been drafted: an Oil Sands Industry sub-strategy and an Aboriginal sub-strategy. In 2006-07, work with industry on these sub-strategies will be ongoing, and an additional six sub-strategies for the Construction, Health Care, Manufacturing, Retail Trade, Tourism and Hospitality, and Mining, Oil and Gas sectors will be written. Additional sub-strategies scheduled for development include the Forestry and Logging, Transportation and Logistics, Non-Profit, Public and Professional, Scientific and Technical Services sectors.

In the process of developing the sub-strategies, first cuts are vetted by small focus groups consisting of representatives from business, industry and labour. After incorporating focus group feedback, stakeholders and individual provincial government ministries are engaged to continue with further development and implementation of the sub-strategies. Industry is invited to not only contribute to this work but to also become true partners and to lead in implementation of concrete actions and initiatives under the sub-strategies.

High levels of co-operation and collaboration among all stakeholders will be required for Building and Educating Tomorrow's Workforce to succeed. However, history tells us that partnerships are strongest and successes are greatest when individuals, communities and all elements of business, industry and government are engaged. Initiatives and actions that are put into place to address labour and skill shortages will not only ensure Alberta maintains its current prosperity and shifts to a knowledge-based economy, but will also contribute to each Albertan's quality of life.

Through working and addressing challenges together, the 21st century looks bright for Alberta.

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